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GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of GBA Holdings Limited (stock code: 261), a company incorporated in Bermuda with limited liability and the shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Company**” and together with its subsidiaries, the “**Group**”) announces its unaudited consolidated financial results of the Group for the year ended 31 December 2022 (the “**Current Period**”) together with the comparative figures for the year ended 31 December 2021 (the “**Corresponding Period**”).

CHAIRMAN’S STATEMENT

RESULTS

On behalf of the Board, I present the annual results of the Group for the year ended 31 December 2022.

The Group recorded revenue of approximately HK\$56 million in 2022, representing a decrease of approximately 88.1% from approximately HK\$469 million in 2021. Loss attributable to the owners of the Company for the Current Period was approximately HK\$175 million, representing an increase of approximately 191.7% from loss of approximately HK\$60 million for the Corresponding Period.

As the Company was still in a loss position, which mainly due to (i) decrease in fair value of financial assets at fair value through profit or loss due to lower fair value of financial assets; (ii) increase in write-down of properties held for sale to net realisable value due to weak property market in the People's Republic of China (the "PRC"); and (iii) decrease in revenue from sale of properties due to negative impact arising from the outbreak of novel coronavirus disease (the "COVID-19") and weak economy in the PRC, and the Company intends to conserve cash resources to finance its operations and future expansion and to counter the uncertainties of the future, the Board does not recommend payment of a final dividend for the year ended 31 December 2022 (2021: nil).

BUSINESS REVIEW

Property Business

All our property development projects, namely Landmark City, Evian Villa and CCT Land-Jun Mansion are located in the Anshan, Liaoning Province, the PRC, details of which are set out below.

Landmark City

Situated in the Tiexi District of the Anshan City, Landmark City enjoys convenient transport access and well-developed comprehensive ancillary facilities, and the project provides comfortable design, relatively low plot ratio and relatively high ratio of greenery and common areas. The project comprises residential buildings, underground car parks and retail shops, with a total gross floor area of approximately 212,000 square meters, built on a site area of 69,117 square meters. Landmark City is divided into three phases, comprising 22 residential towers, offering 2,132 flats and shop units in aggregate, with wide range of sizes from one-bedroom to four-bedroom apartments. Development of the entire Landmark City project was completed in 2013. As at 31 December 2022, approximately 91.3% of the entire project in terms of gross floor area has been sold accumulatively.

Evian Villa

Situated in the Hi-tech Development Zone of the Anshan City, Evian Villa is positioned as a luxurious residential community. Evian Villa is situated in one of the major educational and commercial areas in Anshan with comprehensive community facilities. Since first launch of the project, the development has received strong market response and have been well praised by the customers for its superior quality, top-notch design, low plot ratio, a greenery ratio of 42% and premium construction materials. In particular, the beautiful premier water system, an artificial lake in the center of the estate has received accolades from customers and buyers.

The project has a site area of 74,738 square meters and is divided into two phases, comprising 27 blocks of low-rise apartment buildings, under-ground car parking spaces and retail shops with total gross floor area of 126,000 square meters. Phase 1 comprises 14 blocks of gross floor area of 63,000 square meters and Phase 2 comprises 13 blocks of gross floor area of 63,000 square meters. Evian Villas provide flats and duplex apartments of 670 units in aggregate, comprising 291 units for Phase 1 and 379 units for Phase 2, with wide range of flat types. Development of the Phase 1 was completed in 2011. Approximately 78.5% of the residential units and 100% of the shops and car parks have been sold accumulatively up to 31 December 2022. Development of Phase 2 was completed in 2015. Approximately 88.1% of the residential units of Phase 2 has been sold accumulatively up to 31 December 2022. We will continue to sell the remaining units of Phase 1 and Phase 2 and the underground car parks of Phase 1 and Phase 2.

CCT Land-Jun Mansion

CCT Land-Jun Mansion is located on the land lot site “DN1” of the Hi-tech Development Zone, adjacent to the Evian Villa project. This land site is unique and represents scarce land resource in the zone. Located in a prestigious residential location in Anshan, CCT Land-Jun Mansion enjoys well-developed community facilities. With a site area of approximately 83,000 square meters, this premier project will be developed into a luxury residential community comprising low-rise apartments with wide range of flat types, retail shops and underground car parks, with a planned total gross floor area of approximately 168,000 square meters. We pursue excellence and superior quality in the development of CCT Land-Jun Mansion, aiming to offer luxury and comfortable living environment to home buyers.

Development of CCT Land-Jun Mansion project has been divided in six phases, consisting of Phases 1.1, 1.2, 1.3, 2.1, 2.2 and 3, the status of which are described as follow:

- (i) Phase 1.2 was firstly developed and construction was completed in 2020 and most of its residential units were sold in 2020. Phase 1.2 comprises 12 blocks of 423 units offering good range of flat types and size to meet market demand, together with 13 shop units and 249 underground car parks, with a total gross floor area of approximately 65,148 square meters. Up to 31 December 2022, approximately 81.7% of the total gross floor area of Phase 1.2 has been sold accumulatively.
- (ii) Phase 1.1 comprises one luxury low-rise building with gross floor area of 5,935 square meters, offering 20 residential units and one shop. Construction of Phase 1.1 was completed in 2021. Up to 31 December 2022, approximately 18.5% of the total gross floor area of Phase 1.1 was sold.
- (iii) Consisting of six residential towers, Phase 1.3 provides 94 units and 13 shops with a total gross floor area of 11,107 square meter. Completed in 2021, approximately 92.9% in terms of gross floor area was sold during 2022.

- (iv) Completed in 2021, Phase 2.1 comprises 6 residential towers, providing gross floor area of 40,951 square meters of 192 apartments and 391 underground carpark spaces. Approximately 66.6% in terms of gross floor area of Phase 2.1 has been sold accumulatively up to the end of 2022.
- (v) Completed in 2021, Phase 3 comprises 7 residential towers, providing 224 residential units with a total gross floor area of 24,471 square meters. Approximately 85.7% of the total gross floor area of Phase 3 has been sold accumulatively up to the end of 2022.
- (vi) Phase 2.2 is still being developed and foundation has been completed in 2023. The development of Phase 2.2 will provide approximately 20,000 square meter comprising mostly of residential units with some shop units.

We continually commit to pursue excellence and superior quality in our property projects by delivering premium property quality, stylish designs, high greenery ratio, luxury, spacious and comfortable environment and attentive after-sales services to homebuyers. We have established ourselves as one of the highly reputable developers in Anshan and our projects have won numerous awards and received accolade from customers. All of our property projects have been sold very well and are well received by property buyers in the Anshan.

Finance Business

We continue to carry on money lending business in Hong Kong and expanded our loan portfolio in 2022. The revenue of finance business recorded approximately HK\$5 million for the Current Period as compared to approximately HK\$3 million for the Corresponding Period. We expect this business will continue to contribute stable stream of interest income to the Group. We will explore opportunities to expand our finance business, including property mortgage, share mortgage, working capital financing and luxury goods financing.

Automobile Business

We commenced the business of sale of automobile in 2022 to diversify our revenue base. The revenue of automobile business recorded approximately HK\$26 million for the year ended 31 December 2022. We expect this business will contribute a stable stream of income to the Group.

Catering and related Business

The Group acquired 100% of Universal Flair Limited (“UFL”) and is principally engaged an investment holding. UFL holds 26% interest in Kei Waa Limited (“KWL”) that is engaged in the catering business at the end of 2022. Subsequent to 2022, the Group acquired 100% of Charm Vision Enterprises Incorporated (“CVEI”) and is principally engaged an investment holding. CVEI holds 25% interest in KWL. KWL is engaged in the catering business and caters for the high end market and is situated at a well known business district. We are of the view that with the opening up of borders and influx of tourist, the catering and related business is expected to grow. We are of the view that the acquisition will provide new revenue and profit contribution to the Group.

OUTLOOK

Looking forward to 2023, due to the reopening of the border checkpoints between Hong Kong and the PRC in early January 2023 and the stabilisation of COVID-19 cases, sales in our property business are expected to recover. At the same time, our other new businesses such as catering and related business are expected to generate revenue in 2023. The Group will continue to expand the business based on market demand and availability of funds.

With our resilient management and healthy financial position, we consider that we can overcome the current unprecedented challenges and that we can turn risks into opportunities. We will continue to pursue our core strategy of achieving long-term sustainable growth for the Company and enhancing long-term value to our shareholders.

APPRECIATION

On behalf of the Board, I wish to express our gratitude to the directors, the management and all our employees for their dedication, loyalty, and hard work to meet the challenges during the year. Furthermore, I am most grateful to our customers, shareholders, investors, bankers, landlords and suppliers for their continued encouragement and strong support to the Company throughout these unprecedented times.

Ong Chor Wei
Chairman

Hong Kong, 31 March 2023

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately 88.1% from approximately HK\$469 million for the Corresponding Period, to approximately HK\$56 million for the Current Period. During the Current Period, revenue of approximately HK\$25 million was mainly derived from sales of some of the remaining units of Evian Villa and CCT Land-Jun Mansion, whereas the revenue of approximately HK\$466 million for the Corresponding Period was largely attributable to the sales of the property units of Evian Villa and CCT Land-Jun Mansion.

For the Current Period, the Property Business is the Group's business segment in terms of revenue, contributing approximately 44.6% of the Group's total revenue. However, the revenue from our Property Business decreased due to absence of contribution from Landmark City in the Current Period. The revenue of Property Business decreased mainly due to (i) the negative impact arising from the outbreak of COVID-19 which affected the sales of properties; and (ii) the weak economy in the PRC.

The Finance Business contributed revenue of approximately HK\$5 million for the Current Period compared to approximately HK\$3 million for the Corresponding Period.

The Automobile Business contributed revenue of approximately HK\$26 million for the Current Period compared to nil for the Corresponding Period.

The PRC and Hong Kong is the only market region of the Group, contributing all of the Group's total revenue for the years ended 31 December 2022 and 2021.

INVESTMENT IN A CATERING BUSINESS IN HONG KONG

In line with our strategy of expansion of the Group, on 30 December 2022, Regal Fair Limited (“**RFL**”), a direct wholly-owned subsidiary of the Company, entered into a transaction with Mr. Ma Hing Cheong (“**Mr. Ma**”), pursuant to which RFL agreed to acquire, and Mr. Ma agreed to dispose, the entire equity interest of UFL, an investment holding company which held 26% interest in KWL. Subsequently, on 17 March 2023, RFL entered into a transaction with Mr. Ma, pursuant to which RFL agreed to acquire, and Mr. Ma agreed to dispose, the entire equity interest of CVEI, an investment holding company which held 25% interest in KWL. KWL is engaged in the catering business.

Following the transactions, each of UFL and CVEI will become an indirect wholly-owned subsidiary of the Company, and the financial results of UFL and CVEI will be consolidated into the financial statements of the Group.

COST OF SALES

The cost of sales primarily consists of direct cost including construction materials and supplies and VAT for the property. The cost of sales decreased by approximately 72.7% from approximately HK\$436 million for the Corresponding Period to approximately HK\$119 million for the Current Period, which was mainly due to the decrease in the revenue and increase in write-down properties held for sale to net realisable value due to weak property market in the PRC.

GROSS (LOSS)/PROFIT AND GROSS (LOSS)/PROFIT MARGIN

The gross profit was approximately HK\$33 million for the Corresponding Period and the gross loss is approximately HK\$63 million for the Current Period. The gross profit margin was approximately 7.0% for the Corresponding Period and the gross loss margin is approximately 112.5% for the Current Period. The increase in our gross loss was mainly due to lower average sales price and margins and increase in write-down properties held for sale to net realisable value due to weak properties market in the PRC.

CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The decrease in fair value of financial assets at fair value through profit or loss increased by approximately 293.3% from approximately HK\$15 million for the Corresponding Period to approximately HK\$59 million for the Current Period. The increase was mainly due to lower fair value of financial assets.

OTHER INCOME AND GAINS

The Group recorded other income and gains of approximately HK\$7 million for the Current Period as compared to nil for the Corresponding Period. The increase was mainly attributable to the increase in land use tax refund.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses consist primarily of advertising and sales agent fee. The selling and distribution expenses decreased by approximately 61.9% from approximately HK\$21 million for the Corresponding Period to approximately HK\$8 million for the Current Period. The decrease was mainly due to decrease in the sales agent fee.

ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of auditors' remuneration, depreciation, directors' remuneration, legal and professional fee and staff costs. The administrative expenses decreased by approximately 13.2% from approximately HK\$53 million for the Corresponding Period to approximately HK\$46 million for the Current Period. The decrease was mainly due to decrease in the auditors' remuneration, entertainment and other expenses.

LOSS FOR THE YEAR

As a result of the foregoing, the Group recorded a loss of approximately HK\$175 million for the Current Period as compared to a loss of approximately HK\$60 million for the Corresponding Period, which was mainly due to (i) decrease in fair value of financial assets at fair value through profit or loss due to lower fair value of financial assets; (ii) increase in write-down of properties held for sale to net realisable value due to weak property market in the PRC; and (iii) decrease in revenue from sale of properties due to negative impact arising from the outbreak of COVID-19 and weak economy in PRC.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has been maintaining its capital adequacy ratios during the period under review.

As at 31 December 2022, the Group had total current assets of approximately HK\$584 million (as at 31 December 2021: approximately HK\$688 million), of which the cash and cash equivalents were approximately HK\$27 million (as at 31 December 2021: approximately HK\$48 million). The Group's current ratio (current assets divided by current liabilities) as at 31 December 2022 is approximately 778.67% (as at 31 December 2021: approximately 702.04%).

The Group had the bank overdraft approximately HK\$2 million as at 31 December 2022 (as at 31 December 2021: nil), reflecting a solid and healthy financial position of the Group.

The Group derives its working capital mainly from cash on hand and net cash used in operating activities. The Board expects that the Group will rely on net cash from operating activities and bank borrowings, if required, to meet future demand of working capital and capital expenditure, if any.

CAPITAL COMMITMENTS

As at 31 December 2022, the Group had no capital commitment (31 December 2021: nil).

TREASURY MANAGEMENT

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. In the Current Period, the Group did not have any material interest rate risk as the Group did not have any bank borrowings. In the period under review, the Group did not have any significant foreign exchange exposure. We will continue to monitor our currency exposure but we have no intention to enter into any high-risk exchange derivatives.

ACQUISITIONS AND DISPOSALS OF MATERIAL SUBSIDIARIES AND ASSOCIATES

The Group did not acquire or dispose of any material subsidiaries and associates during the period under review.

CHARGE ON ASSETS

As at 31 December 2022, the Group's pledged time deposit amounted to approximately HK\$3 million (31 December 2021: nil).

CONTINGENT LIABILITIES

As at 31 December 2022, the Group did not have any significant contingent liabilities (31 December 2021: nil).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 31 December 2022 was 38 (31 December 2021: 42). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include mandatory provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. There were no share options outstanding as at 31 December 2022 (as at 31 December 2021: 10,914,993,990 share options outstanding) under the 2011 Scheme.

IMPORTANT EVENTS AFFECT THE GROUP DURING THE FINANCIAL YEAR AND UP TO THE DATE OF THIS ANNUAL RESULTS ANNOUNCEMENT

A special general meeting was held on 18 July 2022, at which, resolutions were passed in relation to (i) the share consolidation of every one hundred (100) existing shares of par value of HK\$0.01 each in the issued share capital of the Company be consolidated into one (1) consolidated share (each a "**Consolidated Share**") of par value of HK\$1.00 (the "**Share Consolidation**"); (ii) immediately upon the Share Consolidation becoming effective, the share capital of the Company will be reduced whereby (a) where applicable, any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled; (b) the issued share capital of the Company of HK\$1,838,461,000 divided into 1,838,461,000 Consolidated Shares shall be reduced to HK\$18,384,610 divided into 1,838,461,000 new shares by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 (the "**Capital Reduction**"); and (c) the credit arising from the Capital Reduction in the amount of approximately HK\$1,820,076,390 will be credited to the contributed surplus account (within the meaning of the Companies Act 1981 of Bermuda (as amended) (the "**Companies Act**")) up to the effective date for use by the Directors in any manner permitted by the Companies Act and the bye-laws of the Company; and (iii) change the board lot size for trading on the Stock Exchange from 80,000 existing shares to 8,000 new shares conditional upon the Share Consolidation and Capital Reduction becoming effective (the "**Change the Board Lot Size**").

For details in relation to the Share Consolidation, the Capital Reduction and the Change the Board Lot size, please refer to the announcements of the Company dated 7 June 2022 and 18 July 2022 and the circular of the Company dated 24 June 2022.

On 20 September 2022, the Company entered into a placing agreement (the “**Placing Agreement**”) with Imperium International Securities Limited as placing agent (the “**Placing Agent**”), pursuant to which the Company conditionally agreed to place, through the Placing Agent on the best effort basis, up to 367,692,200 new shares (the “**Placing Shares**”) of the Company at a price of HK\$0.052 per Placing Share (the “**Placing Price**”) to not less than six independent places (the “**Placing**”). The Placing Price represented a discount of approximately 1.89% to the closing price of HK\$0.053 per Share as quoted on the Stock Exchange on 20 September 2022, being the date of the Placing Agreement. The Placing Price was determined after arm’s length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The completion of the Placing took place on 10 October 2022 and aggregate 367,692,000 Placing Shares will be issued and allotted to not less than six placees at the Placing Price of HK\$0.052 per Placing Share, representing approximately 16.67% of the issued share capital of the Company. The aggregate nominal value of the Placing Shares issued and allotted will be approximately HK\$19.1 million.

On 30 December 2022, RFL, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Mr. Ma, pursuant to which RFL agreed to acquire, and Mr. Ma agreed to dispose of the entire equity interest in UFL and the entire outstanding shareholder’s loan owing by the UFL to Mr. Ma up to the date of completion, at the consideration of HK\$4.5 million (the “**Acquisition One**”).

On 17 March 2023, RFL entered into a sale and purchase agreement with Mr. Ma, pursuant to which RFL agreed to acquire, and Mr. Ma agreed to dispose of, the entire equity interest in CVEI, and the entire outstanding shareholder’s loan owing by CVEI to Mr. Ma up to the date of completion, at the consideration of HK\$4.5 million (the “**Acquisition Two**”).

For the details in relation to the Acquisition One and Acquisition Two, please refer to the announcement of the Company dated 17 March 2023.

Save as disclosed above, there were no other significant events subsequent to the year end and up to the date of this annual results announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: nil).

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are mainly operated in Hong Kong and mainly denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

SIGNIFICANT INVESTMENT

On 30 December 2022, the Group acquired 100% of the UFL, and is principally engaged in investment holding for a consideration HK\$4.5 million. It holds 26% interest in KWL. Upon Completion, UFL will become a subsidiary of RFL and an indirect wholly-owned subsidiary of the Group. KWL is engaged in the catering business.

USE OF PROCEEDS

Based on the Placing Price of HK\$0.052 per Placing Share and 367,692,200 Placing Shares offered by the Company, the net proceeds from the Placing Share received by the Company, after deducting the underwriting fees and commissions and estimated expenses paid and payable by the Company in relation to the Placing Share, are approximately HK\$18.7 million. Such net proceeds are intended to be or have been applied for the purposes of (i) general capital for operating and expansion of the Group's finance business and (ii) general working capital.

For the details in relation to the Placing, please refer to the announcements of the Company dated 20 September 2022 and 10 October 2022. The use of net proceeds from the Placing as at 31 December 2022 was as follows:

	Planned use of the net proceeds up to 31 December 2022 (HK\$' million)	Actual use of the net proceeds up to 31 December 2022 (HK\$' million)	Unutilised net proceeds up to 31 December 2022 (HK\$' million)
General capital for operating and expansion of the Group's finance business	12.5	12.5	—
General working capital	6.2	6.2	—
Total	<u>18.7</u>	<u>18.7</u>	<u>—</u>

CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of the Shareholders' transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

In the opinion of the Directors, the Company has complied with all the Code Provisions under the CG Code throughout the financial year ended 31 December 2022, except for the minor deviations from the following Code Provisions of the CG Code:

Code Provision C.2.1

Code Provision C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

There were instances where the roles of chairman (“**Chairman**”) and chief executive officer (“**CEO**”) were not separated during the Current Period and hence the Company has not fully complied with Code Provision C.2.1.

Mr. Mak Shiu Tong, Clement (“**Mr. Mak**”) assumed the roles of both the Chairman and the CEO before his resignation as a Director of the Company on 20 May 2022. Following Mr. Mak’s resignation, Mr. Ong Chor Wei (“**Mr. Ong**”), who was appointed as a non-executive Director on 3 January 2022 and redesignated as an executive Director on 7 April 2022, was appointed as the Chairman and the CEO of the Company on 20 May 2022. Mr. Ong has resigned as a CEO of the Company on 1 June 2022 and the role of CEO was taken up by Mr. Yuk Kai Yao (“**Mr. Yuk**”) on the same day.

The current roles of Chairman and CEO are held separately by Mr. Ong and Mr. Yuk, respectively. Therefore, the Board considers that a balance of power and authority under the present arrangement is attained, and is beneficial and in the interests of the Group and the shareholders as a whole.

Code Provision B.2.2

Code Provision B.2.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Pursuant to the bye-laws of the Company, the Chairman and the managing Director (who is currently assumed by Mr. Ong) shall not be subject to retirement by rotation in each year. The Board considers that the continuity of the Chairman and his leadership will be essential for the stability of the key management of the Group. On the other hand, the Board will ensure that all Directors save for the Chairman will rotate at least once every three years in order to comply with the Code Provision B.2.2.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the financial year ended 31 December 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in this announcement, during the year ended 31 December 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

Change of Composition of the Board and the Board Committees

There were the following changes to the composition of the Board and the Board Committees during the year ended 31 December 2022 to the date of this annual results announcement.

Name of Directors	Details of Change
Ong Chor Wei	Appointed as a non-executive Director on 3 January 2022; redesignated as an executive Director on 7 April 2022; appointed as a Chairman, CEO and a Chairman of Nomination Committee and a member of Remuneration Committee on 20 May 2022; resigned as a CEO on 1 June 2022
Mak Shiu Tong, Clement	Resigned as an executive Director, CEO, a Chairman of Nomination Committee and a member of Remuneration Committee on 20 May 2022
Cheng Yuk Ching, Flora	Appointed as a member of each of the Remuneration Committee and the Nomination Committee on 3 January 2022; resigned as an executive Director, Deputy Chairman, a member of each of Remuneration Committee and the Nomination Committee on 1 August 2022
Tam Ngai Hung, Terry	Resigned as an executive Director and a member of each of the Remuneration Committee and the Nomination Committee on 3 January 2022
Yuk Kai Yao	Appointed as an executive Director on 19 May 2022; appointed as a CEO on 1 June 2022; appointed as a Deputy Chairman, a member of each of Remuneration Committee and the Nomination Committee on 1 August 2022
Wu Wai Shan	Appointed as an Independent non-executive Director, a Chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee on 10 June 2022
Lau Ho Kit, Ivan	Resigned as an Independent non-executive Director, a Chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee on 10 June 2022

Name of Directors	Details of Change
Lau Yik Lok	Appointed as an Independent non-executive Director, a Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee on 1 August 2022
Chow Siu Ngor	Resigned as an Independent non-executive Director, a Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee on 1 August 2022
Lam Chi Keung	Appointed as an Independent non-executive Director, a member of each of the Remuneration Committee, the Audit Committee and the Nomination Committee on 30 September 2022 and resigned as an Independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee and Nomination Committee on 27 March 2023
Tam King Ching, Kenny	Resigned as an Independent non-executive Director, a member of each of the Remuneration Committee, the Audit Committee and the Nomination Committee on 30 September 2022
Leung Gar-gene, Vincent	Appointed as an Independent non-executive Director, a member of each of the Remuneration Committee, the Audit Committee and the Nomination Committee on 27 March 2023

Remuneration Committee

The Remuneration Committee was established in 2005 with specific written terms of reference formulated in accordance with the requirements of the Listing Rules.

The main responsibilities of the Remuneration Committee include, inter alia, (i) making recommendations to the Board on the policy and structure for the remuneration of the Directors and senior management of the Group; (ii) reviewing the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) making recommendations to the Board on the remuneration package of individual Directors and senior management of the Group (adopting the approach described under Code Provision E.1.2 (c)(ii) of the CG Code); (iv) reviewing and making recommendations to the Board the fees payable to the INEDs; and (v) reviewing and making recommendations to the Board the compensation, if any, payable to the Directors and senior management of the Group in connection with any loss or termination of office or appointment.

The Remuneration Committee has five members who are three INEDs, namely Mr. Lau Yik Lok (“**Mr. Lau**”), Ms. Wu Wai Shan (“**Ms. Wu**”) and Mr. Leung Gar-gene, Vincent (“**Mr. Leung**”) and two executive Directors, namely Mr. Ong and Mr. Yuk Kai Yao (“**Mr. Yuk**”). The Remuneration Committee is currently chaired by Mr. Lau.

Audit Committee

The Company has established the Audit Committee since 2002 with specific written terms of reference formulated in accordance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company’s financial reporting, risk management and internal control systems as well as to maintain an appropriate relationship with the external and internal auditors of the Company.

The main responsibilities of the Audit Committee include, inter alia, (i) reviewing the financial statements of the Group’s interim and annual reports before submitting them to the Board for approval; (ii) reviewing and making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the terms of engagement including the remuneration of the external auditors; (iii) discussing with the external auditors the nature and scope of the audit; (iv) monitoring and assessing the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with the applicable standards; (v) reviewing and monitoring the financial reporting and the reporting judgment contained in them; (vi) reviewing the financial controls, risk management and internal control systems (including the adequacy of resources, and the effectiveness of the financial and internal audit function); and (vii) to review the Group’s accounting policies and practices and any changes of them with the management of the Group, and the internal and external auditors of the Company.

The Audit Committee consists of three members who are three INEDs, namely Mr. Lau, Ms. Wu and Mr. Leung. The Audit Committee is currently chaired by Ms. Wu. Each of Ms. Wu and Mr. Leung is a qualified accountant with extensive accounting and financial experience. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experience necessary to advise on the Board’s strategies and other related matters. All members of the Audit Committee have complete and unrestricted access to the internal and external auditors and all employees of the Company.

Nomination Committee

The Company has established the Nomination Committee since 2012 with specific written terms of reference in line with the Code Provisions under the CG Code. The main responsibilities of the Nomination Committee include, inter alia, (i) reviewing the structure, size and composition (including the skills and knowledge and experience) of the Board at least annually; (ii) making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (iii) identifying individuals suitably qualified to become board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (iv) assessing the independence of INEDs; and (v) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the CEO.

The Nomination Committee consists of five members who are three INEDs, namely Ms. Wu, Mr. Lau and Mr. Leung and two executive Director, namely Mr. Ong and Mr. Yuk. The Nomination Committee is currently chaired by Mr. Ong.

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

Each of the INEDs has filed a written confirmation to the Company confirming his independence pursuant to Rule 3.13 of the Listing Rules and has undertaken to inform the Stock Exchange and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this announcement, the INEDs were considered to be independent.

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of a sufficient number of the INEDs and at least an INED with appropriate professional qualifications or accounting or related financial management expertise and the number of INEDs representing at least one-third of the Board throughout the financial year ended 31 December 2022.

SCOPE OF WORK OF THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on this preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

The annual results announcement of the Company for the year ended 31 December 2022 is published on the website of the Company at www.gbaholdings.com and that of the Stock Exchange at www.hkexnews.hk. The 2022 annual report and corporate governance report will be despatched to the Shareholders and made available on the website of the Company and that of the Stock Exchange on or before 30 April 2023.

By order of the Board
GBA Holdings Limited
Ong Chor Wei
Chairman and Executive Director

Hong Kong, 31 March 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Ong Chor Wei and Mr. Yuk Kai Yao; and the independent non-executive Directors of the Company are Mr. Lau Yik Lok, Ms. Wu Wai Shan and Mr. Leung Gar-gene, Vincent .

ANNUAL RESULTS

The Board presents the consolidated annual results of the Group for the year ended 31 December 2022, together with the comparative amounts for the previous year as follows:

Consolidated Statement of Profit or Loss

Year ended 31 December 2022

HK\$ million	Notes	2022	2021
REVENUE			
— Revenue from contracts with customers	4	51	466
— Interest income	4	5	3
		<u>56</u>	<u>469</u>
Cost of sales		<u>(119)</u>	<u>(436)</u>
Gross (loss)/profit		(63)	33
Changes in fair value of financial assets at fair value through profit or loss		(59)	(15)
Other income and gains	6	7	—
Selling and distribution expenses		(8)	(21)
Administrative expenses		(46)	(53)
Other expenses, net		(6)	(3)
Finance costs	7	— [#]	— [#]
		<u>—[#]</u>	<u>—[#]</u>
LOSS BEFORE TAX	5	(175)	(59)
Income tax expense	8	— [#]	(1)
		<u>—[#]</u>	<u>(1)</u>
LOSS FOR THE YEAR		<u>(175)</u>	<u>(60)</u>
Loss attributable to owners of the Company		<u>(175)</u>	<u>(60)</u>
			(Restated)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	10	<u>(HK9.10 cent)</u>	<u>(HK3.26 cent)</u>

[#] Less than HK\$1 million

Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

HK\$ million	2022	2021
LOSS FOR THE YEAR	<u>(175)</u>	<u>(60)</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(44)</u>	<u>13</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	<u>(44)</u>	<u>13</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u><u>(219)</u></u>	<u><u>(47)</u></u>
Total comprehensive loss attributable to owners of the Company	<u><u>(219)</u></u>	<u><u>(47)</u></u>

Consolidated Statement of Financial Position

31 December 2022

HK\$ million	Notes	2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment		—*	—*
Loan and interest receivables	12	—	70
Investment in an associate		2	—
Financial assets at fair value through profit or loss		<u>168</u>	<u>220</u>
Total non-current assets		<u>170</u>	<u>290</u>
Current assets			
Properties under development		95	101
Properties held for sale		311	437
Trade receivables	11	26	1
Loan and interest receivables	12	79	2
Prepayments, other receivables and other assets		25	50
Financial assets at fair value through profit or loss		18	49
Pledged time deposit		3	—
Cash and cash equivalents		<u>27</u>	<u>48</u>
Total current assets		<u>584</u>	<u>688</u>
Total assets		<u>754</u>	<u>978</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Issued capital		22	1,839
Reserves		<u>657</u>	<u>(960)</u>
Total equity		<u>679</u>	<u>879</u>
Non-current liabilities			
Lease liabilities		<u>—</u>	<u>1</u>

HK\$ million	<i>Notes</i>	2022	2021
Current liabilities			
Bank overdraft		2	–
Trade payables	<i>13</i>	36	49
Other payables and accruals		37	48
Lease liabilities		–	1
		<hr/>	<hr/>
Total current liabilities		75	98
		<hr/>	<hr/>
Total liabilities		75	99
		<hr/>	<hr/>
Total equity and liabilities		754	978
		<hr/> <hr/>	<hr/> <hr/>
Net current assets		509	590
		<hr/> <hr/>	<hr/> <hr/>
Total assets less current liabilities		679	880
		<hr/> <hr/>	<hr/> <hr/>

* *Less than HK\$1 million*

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. The financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest million except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment — Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2018–2020</i>

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has the following reporting segments:

- (a) the property business segment representing the development and sale of properties;
- (b) the finance business segment representing the finance business; and
- (c) automobile business segment representing the trading and sale of classic cars business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that finance costs, share of profit/loss of an associate, fair value gains/losses from the Group's financial instruments as well as the head office and corporate expenses are excluded from such measurement.

Segment assets exclude financial assets at fair value through profit or loss and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

HK\$ million	Property business		Finance business		Automobile business		Reconciliations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Segment revenue										
Sales to external customers	25	466	-	-	26	-	-	-	51	466
Interest income	-	-	5	3	-	-	-	-	5	3
Other income and gains	5	-	-	-	-	-	2	-	7	-
	<u>30</u>	<u>466</u>	<u>5</u>	<u>3</u>	<u>26</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>63</u>	<u>469</u>
Segment (loss)/profit	(77)	(23)	-#	1	1	-	-	-	(76)	(22)
Finance costs	-	-	-	-	-	-	-#	-#	-#	-#
Reconciled items:										
Corporate and other unallocated expenses	-#	-	-	-	-	-	(40)	(22)	(40)	(22)
Changes in fair value of financial assets at fair value through profit or loss	-	-	-	-	-	-	(59)	(15)	(59)	(15)
(Loss)/profit before tax	<u>(77)</u>	<u>(23)</u>	<u>-#</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>(99)</u>	<u>(37)</u>	<u>(175)</u>	<u>(59)</u>
Income tax expense							-	-	-#	(1)
Loss for the year							<u>(99)</u>	<u>(37)</u>	<u>(175)</u>	<u>(60)</u>

Less than HK\$1 million

HK\$ million	Property business		Finance business		Automobile business		Reconciliations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Other segment information:										
Depreciation	-#	-	-#	-	-	-	-	(1)	-#	(1)
Other material non-cash items:										
Impairment of trade receivables	(1)	(5)	-	-	-	-	-	-	(1)	(5)
Impairment of loan and interest receivables	-	-	(4)	-	-	-	-	-	(4)	-
Impairment of other receivables	(1)	-	-	-	-	-	-	-	(1)	-
Impairment of items of property, plant and equipment	-	-	-	-	-	-	-	(2)	-	(2)
Gain on early termination of lease	-	-	-	-	-	-	1	-	1	-
Write-down of properties held for sale to net realisable value	(67)	(16)	-	-	-	-	-	-	(67)	(16)
Write-down of properties under development to net realisable value	(1)	-	-	-	-	-	-	-	(1)	-
Changes in fair value of financial assets at fair value through profit or loss	-	-	-	-	-	-	(59)	(15)	(59)	(15)

Less than HK\$1 million

HK\$ million	Property business		Finance business		Automobile business		Reconciliations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Segment assets	429	595	79	72	26	-	-	-	534	667
Reconciled items:										
Corporate and other unallocated assets	-	-	-	-	-	-	220	311	220	311
Total assets	<u>429</u>	<u>595</u>	<u>79</u>	<u>72</u>	<u>26</u>	<u>-</u>	<u>220</u>	<u>311</u>	<u>754</u>	<u>978</u>
Segment liabilities	64	89	-#	-#	-	-	-	-	64	89
Reconciled items:										
Corporate and other unallocated assets	-	-	-	-	-	-	11	10	11	10
Total liabilities	<u>64</u>	<u>89</u>	<u>-#</u>	<u>-#</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>10</u>	<u>75</u>	<u>99</u>

Less than HK\$1 million

Geographical information

(a) Revenue from external customers

HK\$ million	2022	2021
Mainland and Hong Kong	56	469
Rest of the world	-	-
	<u>56</u>	<u>469</u>

The revenue information above is based on the final locations where the Group's products and properties were sold to customers.

(b) Non-current assets

HK\$ million	2022	2021
Mainland and Hong Kong	<u>-#</u>	<u>-#</u>

The non-current asset information is based on the locations of the assets and excludes financial instruments.

Less than HK\$1 million

Information about major customers

For the year ended 31 December 2022, revenue of approximately HK\$26 million in the Automobile Business (2021: nil) from one single customer contributed 10% or more of the Group's total revenue.

4. REVENUE

Revenue represents gross proceeds from the sale of properties, gross proceeds from the sale of classic cars and interest income during the year.

An analysis of revenue is as follows:

HK\$ million	2022	2021
<i>Revenue from contracts with customers</i>		
Sale of properties	25	466
Sale of classic cars	26	–
<i>Revenue from other sources</i>		
Interest income from loan receivables	5	3
	<u>56</u>	<u>469</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

Segments (HK\$ million)	Property business		Automobile business		Total	
	2022	2021	2022	2021	2022	2021
Type of goods						
Sale of properties	25	466	–	–	25	466
Sale of classic cars	–	–	26	–	26	–
	<u>25</u>	<u>466</u>	<u>26</u>	<u>–</u>	<u>51</u>	<u>466</u>
Geographical markets						
Mainland and Hong Kong	<u>25</u>	<u>466</u>	<u>26</u>	<u>–</u>	<u>51</u>	<u>466</u>
Timing of revenue recognition						
Goods transferred at a point in time	<u>25</u>	<u>466</u>	<u>26</u>	<u>–</u>	<u>51</u>	<u>466</u>

The following table shows the amount of revenue recognised in the current reporting period that was including in the contract liabilities at the beginning of the reporting period:

HK\$ million	2022	2021
Sale of properties	<u>25</u>	<u>442</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon transfer of properties to the buyers and the Group has the present right to payment and the collection of the consideration is probable.

The amounts of transaction prices allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December are as follows:

HK\$ million	2022	2021
Amounts expected to be recognised as revenue:		
Within one year	<u><u>12</u></u>	<u><u>21</u></u>

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

Sales of classic cars

The performance obligation is satisfied upon delivery of the classic cars and payment is generally due within 45 days from delivery.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

HK\$ million	2022	2021
Cost of classic cars sold	25	–
Cost of properties sold	26	420
Auditor's remuneration	2	4
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	4	4
Pension scheme contributions**	–#	–#
	<u>4</u>	<u>4</u>
Gain on disposal of a subsidiary*	–	(4)
Impairment of items of property, plant and equipment*	–	2
Impairment of trade receivables, net*	1	5
Impairment of loan and interest receivables*	4	–
Impairment of other receivables*	1	–
Changes in fair value of financial assets at fair value through profit or loss	59	15
Write-down of properties held for sale to net realisable value	67	16
Write-down of properties under development to net realisable value	<u>1</u>	<u>–</u>

* Included in "Other expenses, net" on the face of the consolidated statement of profit or loss

** The effect of forfeited contributions on the Group's contributions to the pension schemes for the year ended 31 December 2021, and the amounts of forfeited contributions available to reduce contributions in future years were not material.

Less than HK\$1 million

6. OTHER INCOME AND GAINS

HK\$ million	2022	2021
Government subsidies (<i>note</i>)	– [#]	–
Refund of Land Use Tax	4	–
Gain on early termination of lease	1	–
Other income	2	–
	<u>7</u>	<u>–</u>
	<u><u>7</u></u>	<u><u>–</u></u>

[#] Less than HK\$1 million

Note: The government subsidies represented mainly subsidies from the Employment Support Scheme launched by HKSAR government.

7. FINANCE COSTS

An analysis of finance costs is as follows:

HK\$ million	2022	2021
Interest on lease liabilities	– [#]	– [#]
Interest expenses arising from revenue contracts	– [#]	8
Less: Interest capitalised	– [#]	(8)
	<u>–[#]</u>	<u>–</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u><u>–[#]</u></u>	<u><u>–[#]</u></u>

[#] Less than HK\$1 million

8. INCOME TAX

No provision for Hong Kong profits tax has been made during the current and prior years as the Group did not generate any assessable profits arising in Hong Kong during these years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

HK\$ million	2022	2021
Current — Mainland		
Mainland land appreciation tax	— [#]	1
	<hr/>	<hr/>
Total tax expense for the year	— [#]	1
	<hr/> <hr/>	<hr/> <hr/>

[#] *Less than HK\$1 million*

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2022

HK\$ million	Hong Kong		The PRC, excluding Hong Kong		Total	
	Amount	%	Amount	%	Amount	%
Loss before tax	<u>(76.8)</u>		<u>(98.6)</u>		<u>(175.4)</u>	
Tax at the statutory tax rate	(12.7)	16.5	(24.7)	25.0	(37.4)	21.3
Income not subject to tax	(0.7)	0.9	—	—	(0.7)	0.4
Expenses not deductible for tax	11.3	(14.7)	15.6	(15.8)	26.9	(15.3)
Tax losses not recognised	2.1	(2.7)	9.1	(9.2)	11.2	(6.4)
Land appreciation tax	—	—	0.3	(0.3)	0.3	(0.2)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Tax charge at the Group's effective tax rate	<u>—</u>	<u>—</u>	<u>0.3</u>	<u>(0.3)</u>	<u>0.3</u>	<u>(0.2)</u>

2021

HK\$ million	Hong Kong		The PRC, excluding Hong Kong		Total	
	Amount	%	Amount	%	Amount	%
Loss before tax	<u>(40.0)</u>		<u>(18.9)</u>		<u>(58.9)</u>	
Tax at the statutory tax rate	(6.6)	16.5	(4.7)	25.0	(11.3)	19.2
Income not subject to tax	(0.6)	1.5	(2.5)	13.3	(3.1)	5.3
Expenses not deductible for tax	3.8	(9.5)	5.8	(30.8)	9.6	(16.3)
Tax losses not recognised	3.4	(8.5)	1.4	(7.5)	4.8	(8.2)
Land appreciation tax	<u>–</u>	<u>–</u>	<u>1.1</u>	<u>(5.8)</u>	<u>1.1</u>	<u>(1.9)</u>
Tax charge at the Group's effective tax rate	<u>–</u>	<u>–</u>	<u>1.1</u>	<u>(5.8)</u>	<u>1.1</u>	<u>(1.9)</u>

9. DIVIDENDS

No dividends have been paid or declared by the Company for the year ended 31 December 2022 (2021: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

For loss for the year

The calculation of the basic and diluted loss per share attributable to ordinary equity holders of the Company is based on:

HK\$ million	2022	2021
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	<u>(175)</u>	<u>(60)</u>

	Number of shares	
	2022	2021 (Restated)
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	<u>1,922,073,199</u>	<u>1,838,461,000</u>

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2022 and 2021 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share amounts presented.

Pursuant to a special resolution passed at the special general meeting by the Company's shareholders on 18 July 2022, the Company has taken the following events:

- share consolidation ("**Share Consolidation**") on the basis that every 100 existing shares of par value of HK\$0.01 each in the issued share capital of the Company was consolidated into 1 consolidated share ("**Consolidated Share**") of par value of HK\$1.00; and
- immediately upon the Share Consolidation becoming effective, the share capital of the Company was reduced whereby:
 - (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled;
 - (b) the issued share capital of the Company of HK\$1,838,461,000 divided into 1,838,461,000 Consolidated Shares shall be reduced to HK\$18,384,610 divided into 1,838,461,000 new shares by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01; and
 - (c) the credit arising from the capital reduction in the amount of approximately HK\$1,820,076,390 was credited to the contributed surplus account (within the meaning of the Companies Act) for use by the Directors in any manner permitted by the Companies Act and the Bye-laws.

Comparative figures of the weighted average number of ordinary shares for calculating basis loss per share have been adjusted on the assumption that the Share Consolidation has been effective since the beginning of the prior year.

11. TRADE RECEIVABLES

HK\$ million	2022	2021
Trade receivables	31	13
Impairment	(5)	(12)
	<u>26</u>	<u>1</u>

The Group's trade receivables are settled based on the terms of the sale and purchase agreements of properties.

The Group seeks to maintain strict control over its outstanding receivables and has a credit policy to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral and other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

HK\$ million	2022		2021	
	Balance	Percentage	Balance	Percentage
Current to 30 days	<u>26</u>	<u>100</u>	<u>1</u>	<u>100</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

HK\$ million	2022	2021
At 1 January	12	9
Impairment losses, net	1	5
Amount written off as uncollectible (<i>Note</i>)	(7)	(2)
Exchange difference	(1)	–
At 31 December	<u>5</u>	<u>12</u>

Note: In view of prolonged outstanding and lost contact with the customer, the management considers that there is no reasonable expectation of recovering the receivables and an amount of approximately HK\$7,000,000 has been written off during the year.

12. LOAN AND INTEREST RECEIVABLES

HK\$ million	2022	2021
Loan receivables	80	70
Interest receivables	3	2
Impairment	(4)	–
	<u>79</u>	<u>72</u>
Less: Current portion	(79)	(2)
	<u>–</u>	<u>70</u>
Non-current portion	<u>–</u>	<u>70</u>

Except for the loan to CCT Fortis Holdings Limited (“CCT Fortis”), a former substantial shareholder of the Company, which was unsecured, carried interest at 7% per annum and repayable within 1 year (2021: over 1 year). The remaining loan receivables are unsecured, carried interest at 8% per annum and repayable on demand.

Impairment consideration

The Group's loan and interest receivables arose from the Group's finance business in Hong Kong.

An impairment analysis is performed at each reporting date by considering the probability of default of the borrowers.

Movements on the Group's impairment of loan and interest receivables are as follow:

HK\$ million	2022	2021
At 1 January	–	–
Impairment	<u>(4)</u>	<u>–</u>
At 31 December	<u><u>(4)</u></u>	<u><u>–</u></u>

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

HK\$ million	2022		2021	
	Balance	Percentage	Balance	Percentage
Current to 30 days	–	–	47	96
31 to 60 days	1	3	–	–
61 to 90 days	–	–	–	–
Over 90 days	<u>35</u>	<u>97</u>	<u>2</u>	<u>4</u>
	<u><u>36</u></u>	<u><u>100</u></u>	<u><u>49</u></u>	<u><u>100</u></u>

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 120 days.

14. COMPARATIVES

Certain comparative figures have been reclassified to conform with current year's presentation.

15. EVENTS AFTER THE REPORTING PERIOD

On 31 January 2023, Elite Venture Associates Limited (“**Elite Venture**”), a wholly-owned subsidiary of the Company purchased three classic cars from an independent third party (the “**Vendor**”), at a total consideration of approximately HK\$44 million.

As at 31 January 2023, Elite Venture had trade receivables due from the Vendor of approximately HK\$26 million. Based on the agreement between Elite Venture and the Vendor, the consideration payable of approximately HK\$44 million will be offset with the trade receivables of approximately HK\$26 million, resulting in a net payable of approximately HK\$18 million due to the Vendor.

On 17 March 2023, Regal Fair Limited, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase agreement with an independent third party to acquire the entire equity interests of Charm Vision Enterprises Incorporated (“**Charm Vision**”), a company incorporated in the British Virgin Islands with limited liability at a consideration of HK\$4,500,000. Charm Vision is engaged in investment holding and holds 25% equity interest in Kei Waa Limited (“**Kei Waa**”). Currently, the Group holds 26% equity interest in Kei Waa and classified it as an associate. Upon completion of the transaction, Charm Vision will become an indirect wholly-owned subsidiary of the Company and Kei Waa will change from an associate to an indirect non-wholly owned subsidiary of the Group.

Completion of the acquisition of Charm Vision took place on 17 March 2023. As the fair value of the assets and liabilities of Charm Vision and Kei Waa at the date of completion of the acquisition are yet to be measured, details of the assets of the liabilities acquired by the Group and the related goodwill on acquisition, if any, are not disclosed.